

Summary Annual Report

2024
2025

TIMARU



DISTRICT COUNCIL

Te Kaunihera ā-Rohe
o Te Tihi o Maru

timaru.govt.nz

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From the Mayor and Chief Executive

Nau mai ki tā mātou tirohanga rāpototo o te tau 2024/25.

Welcome to the overview of the year 2024/25.

From the Mayor

This year, our district has continued to navigate a rapidly changing landscape. National reforms in water, resource management, and local government have presented both challenges and opportunities and presented this council with some significant decisions with major long-term effects.

Through it all, our focus has remained constant, to serve our people, protect our environment, and invest in a future where Timaru District continues to thrive.

Despite economic headwinds such as the unfortunate closure of Smithfield, Timaru District has shown remarkable resilience.

In a year that's been tough for all of New Zealand, our economy, strongly underpinned by agriculture and food processing, continues to provide opportunities and maintain one of the lowest unemployment rates in the country.

This year saw us break ground on two major cultural projects of the Aorangi Stadium Upgrade and our new approach to the Theatre Royal Upgrade and Museum replacement projects.

An achievement that flew under the radar, but is worth celebrating, is that we have for the first time maintained 100% occupancy and compliance in our social housing portfolio, ensuring our most vulnerable residents have safe, healthy homes.

The implementation of a new building consent system will streamline processes for residents and businesses alike. Environmental stewardship has been front and centre, with significant progress in the Peel Forest Landfill Remediation and stormwater management.

Our commitment to community wellbeing is evident in the success of the inaugural Whakanuia Awards, celebrating the achievements of young people with disabilities, neurodivergence and health impairments.

We have also faced challenges, such as ensuring the cost of our major capital projects remain controlled in an inflationary environment, ongoing climate change adaptation, and the need to balance affordability with the delivery of essential services.

Yet, through robust planning, prudent financial management, and open engagement with our community, we have continued to deliver on our promises.

Looking ahead, we remain focused on building resilient infrastructure, fostering a diverse and sustainable economy, and enhancing the lifestyle for all our community.

Our success depends on strong partnerships with the community and the businesses that call Timaru District home, and we'll continue to advocate for our district and work towards its increased prosperity.

Nigel Bowen.

Mayor of Timaru District.



From the Chief Executive

The 2024/25 year has been one of taking stock and re-focusing for Timaru District Council. We have operated in an environment of rising costs, economic uncertainty, and significant national reforms, all while maintaining our commitment to delivering essential services and value for money for our community.

As part of this we undertook a comprehensive organisational restructure to ensure our organisation is more efficient and aligned with the strategic priorities of the district. This has reduced duplication, clarified accountabilities, and positioned us to deliver services more effectively in a challenging financial climate.

Cost discipline has been at the heart of our approach. Like many councils, we are facing increasing pressure from inflation, supply chain constraints, and regulatory change.

We have responded by tightening our financial management, prioritising essential work, and seeking efficiencies across all areas of our operations. Every dollar we spend must deliver tangible value to our community, and that principle has guided our decisions throughout the year.

Looking ahead, our focus is on building an organisation that is not only financially sustainable but also agile and future ready. We will continue to explore opportunities for innovation, digital transformation, and smarter ways of working.

Our goal is to deliver services that meet the needs of today while preparing for the challenges of tomorrow—whether that's adapting to climate change, responding to demographic shifts, or navigating the impacts of ongoing government reforms.

I want to acknowledge the professionalism and resilience of our staff during this period of change, and the support of our elected members as we work together to deliver for our community.

The year ahead will require continued discipline, adaptability, and collaboration, but I am confident that we are well positioned to meet these challenges and seize the opportunities that lie ahead.

Nigel Trainor,
Chief Executive, Timaru District Council.

About the Summary Annual Report

The full Annual Report explained how we delivered on the 2024/25 Annual Plan (Year One of the 2024-34 Long Term Plan). This document is a summary of the full annual report, showing at a glance what we worked on in the 2024/25 financial year and outlining whether the Council did what it said it would do. The Council adopted the full Annual Report on 31 October 2025.

Our Strategic Direction

Vision

Where people, place and business prosper within a healthy, adaptable and regenerative environment.

Our Values and Role

Inclusive Leadership

Through inclusive leadership, citizens play an active role in the District, creating shared responsibility and a connected vision for the future.

Cultural Caretakers

Protecting and regenerating our unique cultural and environmental heritage so that we can retain a strong sense of identity for current and future generations.

Transition Navigators

Being adaptable to change by embedding the principles of agility and resilience into our approach towards enhancing our community wellbeing outcomes.

Connected citizens

GOALS:

Connected Citizens embrace social connection and learning through sharing stories and ideas, and civic engagement. This Community Wellbeing Outcome seeks to actively support the contribution of citizens in activities that foster inclusion, agency and democracy.

FOCUS AREAS:

1. Enabling Community: We will enable community ownership of projects, by supporting community groups and initiatives.
2. Open to Ideas: We will actively support the contribution of citizens in activities to foster inclusion and democracy.
3. Sharing Stories: We will support the growth of local identity, and community pride through sharing stories, learning and documenting local history.
4. Foster Iwi Relationships: We will develop collaborative relationships with papatipu runanga.
5. Advocacy and Leadership: We will advocate and encourage citizens to contribute ideas and perspectives in an easily accessible way.

Enhanced Lifestyle

GOALS:

Enhanced Lifestyle focuses on providing a healthy community environment, that enables affordable access to the range of facilities, opportunities and resources we need to thrive.

This Community Wellbeing Outcome seeks to enhance lifestyle and strengthen equity within our community.

FOCUS AREAS:

1. Facilities and Services: We will provide future proofed services and facilities to enhance the community.
2. Accessible and Active: We will enable an active lifestyle for everyone across the accessibility spectrum.
3. Shared Spaces: We will develop and maintain shared spaces that support community activity, diversity and foster pride.
4. Affordability: We will strive to ensure affordability and equitability are at the heart of our planning.
5. Health & Wellness: We will create opportunities for all citizens to live within a safe, healthy community, where wellness needs are embraced.

Sustainable Environment

GOALS:

At the heart of our sustainable environment is the practice of kaitiakitanga. It is our role to be guardians of our natural environment.

This Community Wellbeing Outcome seeks to encourage the regeneration of our environment and foster a culture of sustainability.

FOCUS AREAS:

1. Clean Environment: We will prioritise sustainable land and water use to help regenerate our environment.
2. Kaitiakitanga: We will foster a strong connection between our people and the environment.
3. Low Carbon and Energy: We will promote and support low-carbon, low-energy practices.
4. Minimise Waste: We will lead and promote waste minimisation.
5. Encourage Biodiversity: We will support practices, partnerships and policies to protect and regenerate our native flora and fauna.

Diverse Economy

GOALS:

Enabling the conditions for a diverse and prosperous economy that creates local, national and international opportunity for a thriving community.

This Community Wellbeing Outcome seeks to build on our unique local strengths to create prosperity now and for future generations.

FOCUS AREAS:

1. Leverage Local Strength: We will leverage local strengths to retain and grow local talent.
2. Sustainable growth: We will support sustainable growth in the right place.
3. New and Niche: We will encourage innovation and new opportunities to further diversify our economy.
4. Thriving Business: We will create opportunities for local businesses to thrive through networks & support.

Resilient Infrastructure

GOALS:

Investing in the future through well-conceived and planned projects that support the growth and wellbeing of the community and the environment.

This Community Wellbeing Outcome considers the critical transitions we are facing creating a sustainable platform for future generations.

FOCUS AREAS:

1. Invest for Future: We will invest in high quality infrastructure to meet the needs of our community.
2. Apply Good Practice: We will use quality data and good practice to enable high quality infrastructure decision-making.
3. Responsive Planning: We will prioritise resilience in our planning for future infrastructure.
4. Engage with People: Council will engage with our community to develop solutions to future infrastructure challenges.

**The Year
In Review**

**2024
2025**



Financial Overview

Total Expenditure

\$141.5M

(Compared with budget of \$146.2M)

Rates Revenue Levied

\$84.3M

(Compared with budget of \$84M)

Total Council Net Assets

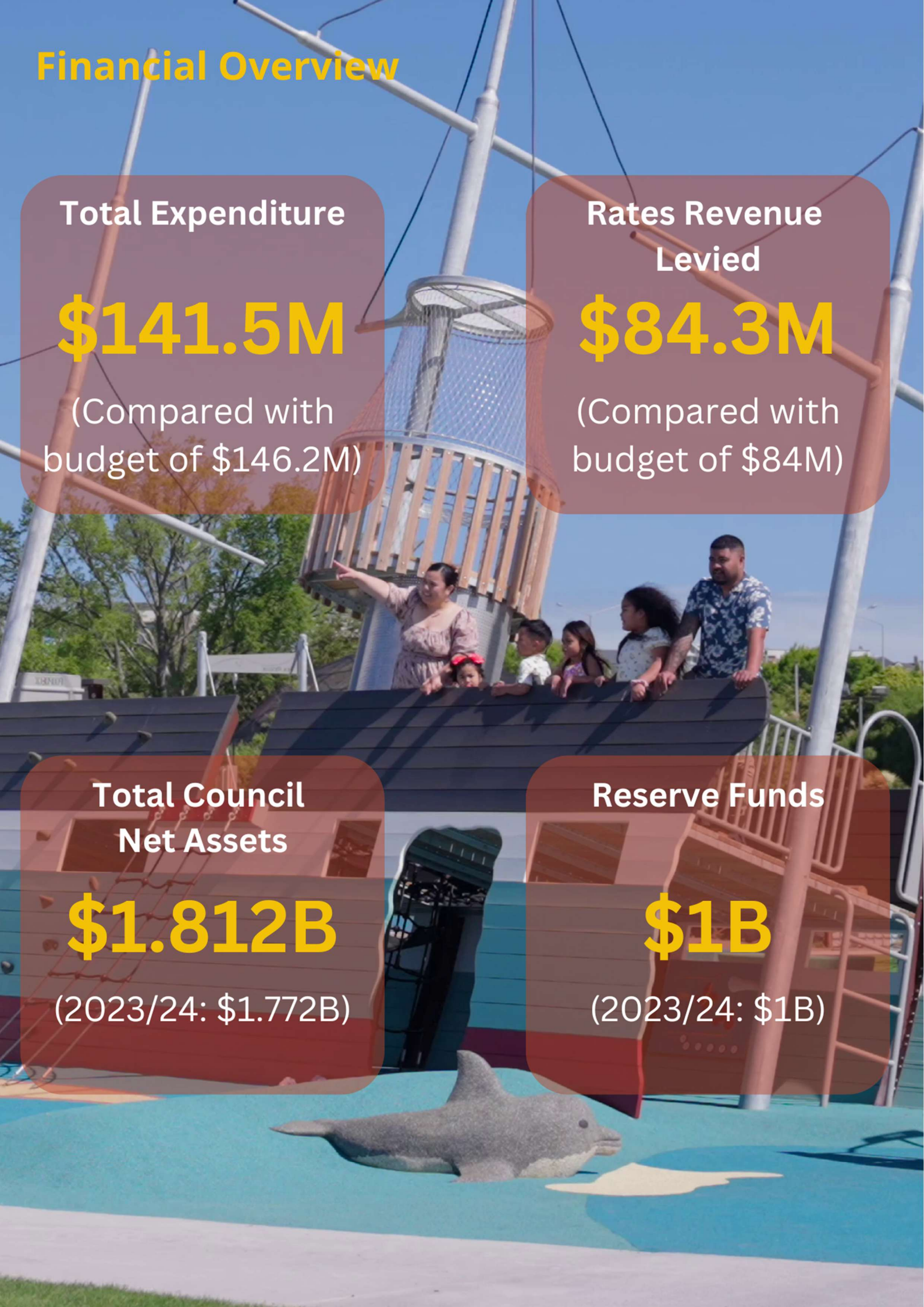
\$1.812B

(2023/24: \$1.772B)

Reserve Funds

\$1B

(2023/24: \$1B)



Capital expenditure

During 2024/25 capital expenditure on Council's infrastructure, facilities and services totalled \$45.7m.

Most of the expenditure was spent on our roading network and footpaths (36.3%); water supply (18.5%), wastewater (11.9%) and stormwater infrastructure (7.2%); with the balance across our community support (3.4%); recreation & leisure (13.9%); waste management (1.6%); and corporate activities (7.1%).

Capital achievements

2024/25 was another challenging year, however the council saw some progression of the three largest capital projects (Claremont, Theatre Royal and Museum, and Aorangi Stadium). Infrastructure projects in roading, waste and water progressed well reaching 77%, 95%, and 73% of their planned programme respectively.

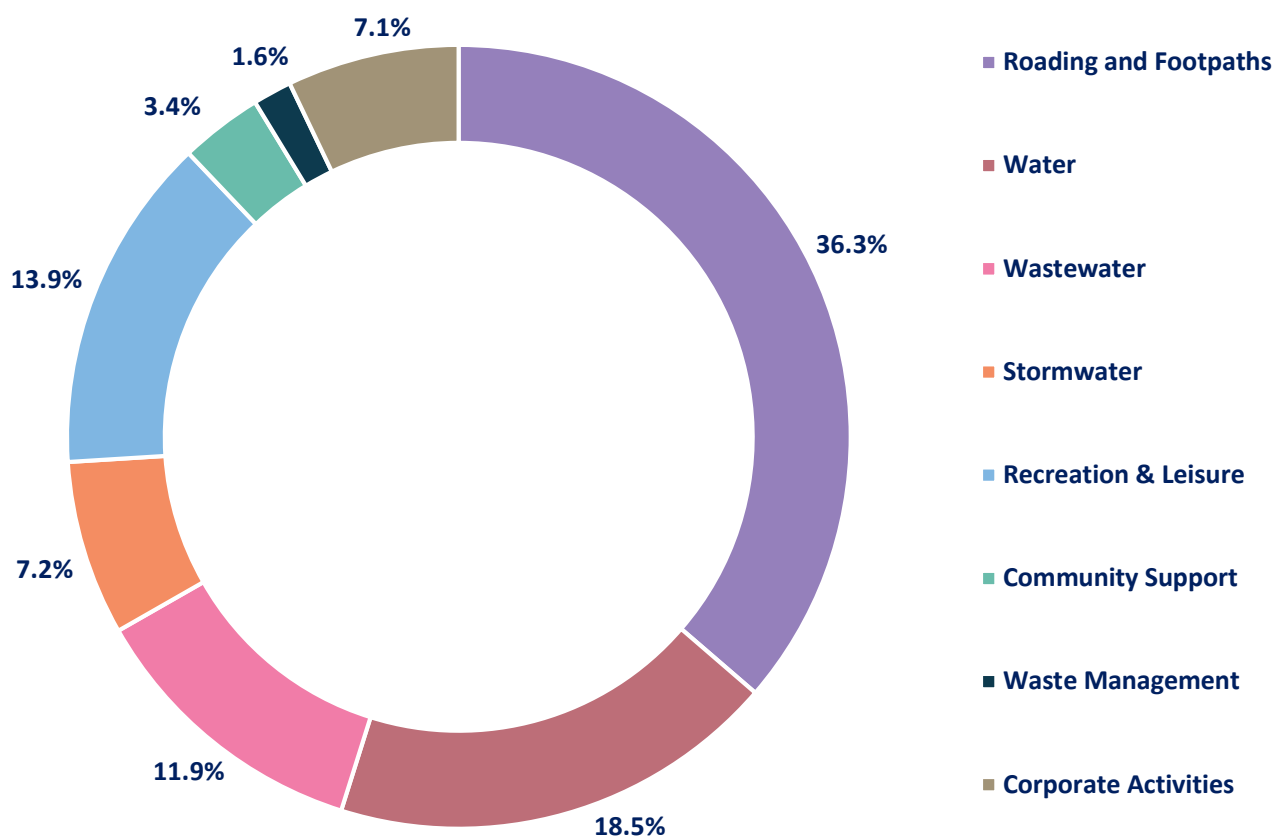
Major projects in the infrastructure services include:

- Earl Road widening
- Port Loop road upgrade and Port shared path installation
- Douglas Street sewermain renewal
- Downlands Rural Water Supply Scheme watermain renewal
- New organics facility at Redruth

Ongoing planning for major community projects includes:

- Aorangi Stadium renewal/ refurbishment
- Theatre Royal and Museum

Capital expenditure by group of activities



Operational achievements

2024/25 also posed some challenges to our operational work, however, despite this we achieved some positive outcomes for our community across a number of Council activities.

Major operational achievements include:

- Occupancy of our Social Housing properties across the district is at 100% and all 236 units are now compliant with Healthy Homes Standards.
- Planning for the implementation of new building consent system in mid-July 2025 was progressed. The system, Objective Build, will improve user experience and efficiency of consent processing for officers and also offers opportunities for cross Council collaboration and remote inspections.
- The removal of material from the Peel Forest closed landfill has commenced with over 6,321 tonnes removed from site at 30th June 2025.
- Upgrades to West End Hall are complete which will enable it to operate as an Emergency Operations Centre in a Civil Defence Emergency. In addition to this, a Memorandum of Understanding has been signed with Fraser Park as an alternate or subsequent site if needed.
- The Whakanuia Awards were held for the first time this year, which celebrated the achievements and raised awareness of the capabilities and contributions of young people in South Canterbury with disabilities, neurodivergence, and health impairments. The event marked a significant step towards fostering a culture of inclusivity and understanding in our district.



Challenges

Government Reforms

Council is moving through a period of significant change with current and signalled Central Government reforms including water, resource management, building consents, and local government. These reforms will change the landscape of what services Councils deliver and how they deliver them.

In-progress and signalled reforms will continue to present Council with various challenges including financial sustainability, asset ownership, retention of services and potential amalgamation, however reform also provides opportunities to assess effectiveness of service delivery and explore initiatives to improve outcomes for our District.

The Water Services Act has come into effect requiring councils to have submitted a water services delivery plan (WSDP) by 3 September 2025.

Council resolved, on 22 July 2025, to progress work towards a standalone WSCCO to ensure that water services delivery in Timaru would not only meet all regulatory requirements (including financial sustainability) but would also be positioned for partnership in the near future should other councils decide to join with Timaru, and subject to agreed terms and conditions at such time.

Timaru District Council's Water Services Delivery Plan was accepted by the Secretary for Local Government on the 28 October 2025, which means that work to establish the new company and the transition plan will get underway as planned in 2025/26.

Timaru District Council intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services within a phased transition from 1 July 2026 through to 1 July 2027.

Economic uncertainty

While consumer inflation is beginning to subside, continuing high input costs and the effect of the wider geopolitical situation contributes to a continued level of uncertainty for Council's programmes, projects and service delivery.

Ageing Infrastructure and Community Assets

As with prior years, a large percentage of our infrastructure assets and a number of our key community assets are reaching, or have exceeded, their useful life and need refurbishment or whole replacement. This presents financial and resourcing challenges but also creates opportunities to consider if the assets we are utilising to deliver services are still fit for purpose.

Levels of Service

Closely linked to the challenges around our asset portfolio is the Levels of Service conversation, as the assets often enable services to be delivered to the community.

The reduced funding received from NZTA (Waka Kotahi) in October 2024, and the funding for specific activities within the overall roading programme, was a clear message to Councils that the 'core' services central government expects Local Authorities to deliver in the Roothing and Footpath activities is what was included in their Government Policy Statement.

This has forced discussions about expected, acceptable and affordable levels of service with the community, and whether the services the Council is providing are what align with our communities needs and wants.

Statement of Council Activities

Key Performance Indicators (KPIs) for the year 1 July 2024 – 30 June 2025 were set in the Long Term Plan 2024-34.

They provide an overview of Council's performance on key projects and initiatives, and progress towards our outcomes.

We have 101 performance measures with targets that we report on across 9 groups of activities, as although we have 10 groups of activities, we do not have any performance targets for Corporate Activities set out in LTP 2024-34. Overall Council achieved 60 measures, nearly achieved 6 measures, did not achieve 20 measures, and did not measure 15. The 15 measures that are not reported this financial year relate mainly to the resident satisfaction survey which is done biennially.

Under the Local Government Act 2002 for the 2024/25 financial year we are required to provide standard performance measures so that the community may compare the level of service provided in relation to the following groups of activities:

- Water Supply
- Sewer
- Stormwater
- Roothing and Footpaths

Department of Internal Affairs Te Tari Taiwhenua guidance has been followed in measuring performance against all mandatory measures.

Material judgements of service performance have been applied using resident surveys.

To measure the quality of our outputs we use a number of residents surveys to gain insight on community perceptions of our services. For activities other than Roothing and Footpaths, results are based on survey data undertaken on a biennial basis by Key Research Limited. FY 2024/25 is a non-survey year. The next survey will be done in FY 2025/26. The statistical validity of the survey is determined by using the following methodology:

- A robust survey conducted online using a combination of email (by way of the ratepayers database held at TDC) invitations and a publicly accessible link (93% email invites and 7% public link). Data collection is managed to quota targets by age, ward and ethnicity, and post data collection, the sample has been weighted so it is aligned with known population distributions as contained in the Census 2018.
- At an aggregate level the sample has an expected 95% confidence interval (margin of error) of +/- 4.47%. All statistical significance testing has used a 95% confidence interval unless otherwise stated.
- Results exclude 'don't know' responses unless otherwise specified.
- All results are reported in whole numbers, and this may result in a rounding difference of one percentage point in some instances.

Land Transport results are based on a Key Research survey of which the target response rate was of 400 residents over 2024/2025. The survey is undertaken every quarter via a postal invitation to an online survey, with a hard copy survey or phone interview as a back-up option. Invitation letters, containing an embedded link to an online survey, were sent to a random selection of residents from the Electoral Roll.

- A total of 417 survey responses were received throughout the year from residents of Timaru District (approximately 100 survey responses received per quarter)
- Data collection is managed to quota targets by age, location and gender, and post data collection, the sample is weighted so it is aligned with population distributions.
- When satisfaction is mentioned, it refers to the percentage of residents who provided a rating of 6 to 10 out of 10 on the satisfaction rating scale.
- Due to rounding, percentages may add to plus or minus 1% over or under totals.
- Significant differences across sub-groups were tested by comparing the percentage 'satisfied' (i.e. provided a rating of 6 to 10; excluding 'don't know' responses) across the groups.
- Significant differences were tested across the following groups: age, ward, gender and rural/urban

**This year should be seen as a reset year due to the change in methodology. The 2024/25 survey was conducted via mailout to randomly selected residents from the Electoral Roll. Surveys in 2023/24 and earlier were conducted via telephone interviews. Caution is advised when comparing results year-on-year due to this change in methodology, which may have contributed to a more pessimistic sentiment.*

External implications for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside our control. Examples of this are, but are not limited to, changes in government policy in New Zealand, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of materials and supplies (for example materials required for critical infrastructure), volatility in international financial markets and other unforeseen circumstances.

Statement of council activities - service performance reporting (PBE FRS 48)

The Council's service performance information is set out in pages 30 to 97 of the full annual report.

The relevant legislation governing the requirement of reporting of the Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The statement of service performance of the Council has been prepared in accordance with PBE standards and is for the year ended 30 June 2025. The statement was authorised for issue by the Council on 31 October 2025.

In preparing the statement of service performance, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements are discussed below.

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Timaru District Council against the forecast levels of service. The service performance measures were adopted in the 2024-2034 Long Term Plan.

The service performance measures are reported on to Council each quarter during the relevant annual period. The annual results are then reported in the relevant Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council's Long-Term Plan. The final measures included in this Annual Report are broken down into the 9 groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each group has a set of metrics that were identified through the 2024-2034 Long Term Plan, involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

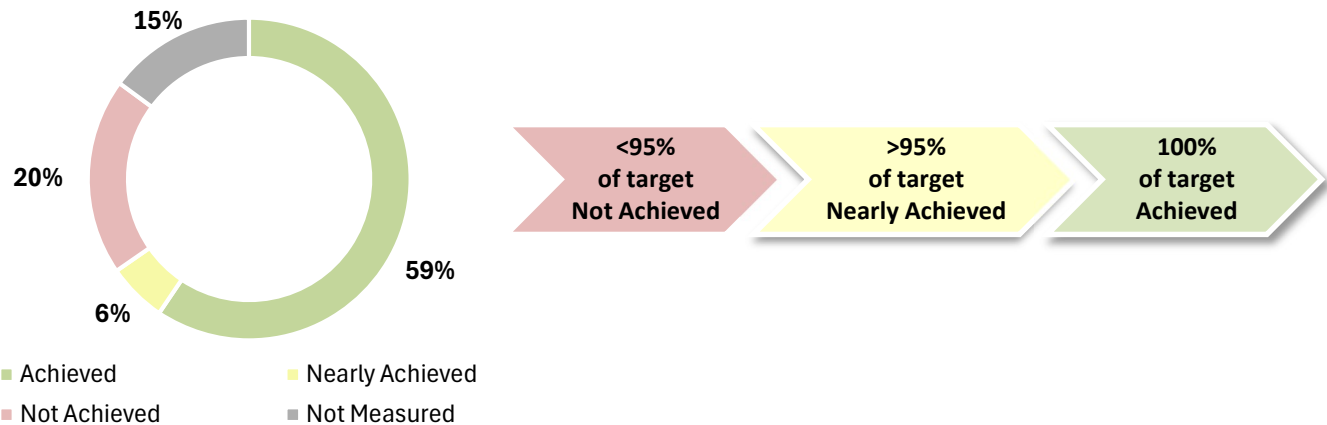
There are a number of performance measures identified in the Service Performance tables that are mandatory performance measures set under section 261 B of the Local Government Act 2002. The Secretary for Local Government promulgated the Non-Financial Performance Measures Rules 2024 to enable a reasonable comparison across all councils.

Council is legally required to meet specific timeframes under certain legislation. These timeframes are reported on to provide transparency to the public. For activities where there are legislative requirements through various Acts or through the mandatory performance measures, there are few significant judgements to make. Council is required to report on these measures and to meet specific standards. The measures are integral to the function of the activity.

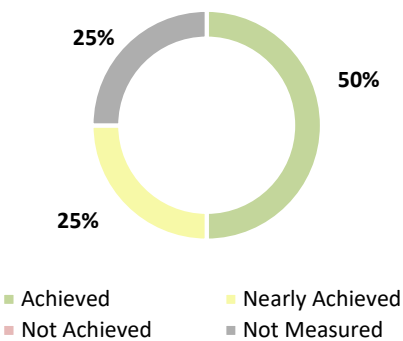
Where actions within an activity do not fall within the three areas previously described, but can be qualitatively measured, Council has chosen to include these within the performance measures. These measures directly relate to the levels of service for the activity, such as measurements relating to the diversion of waste from landfill in the Waste Minimisation activity. These measures describe the fundamentals required to undertake these activities. The measure is reported as achieved or not achieved, with little judgement to be made.

Performance summary by Groups of Activities 2024-2025

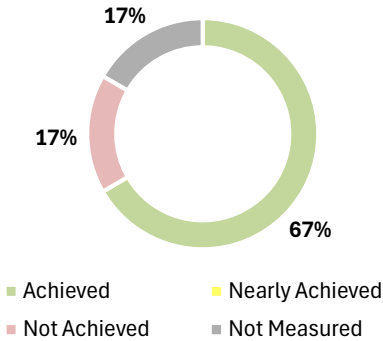
Overall Performance Summary



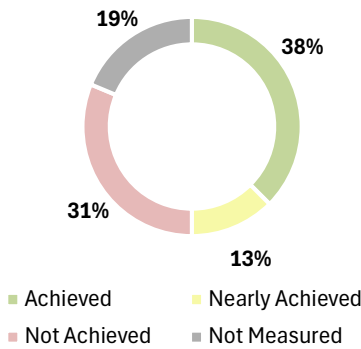
Democracy



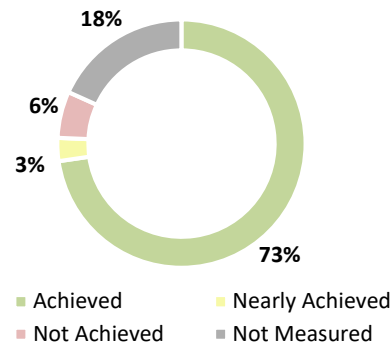
Community Support



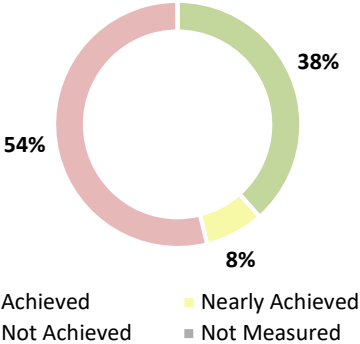
District Planning & Environmental Services



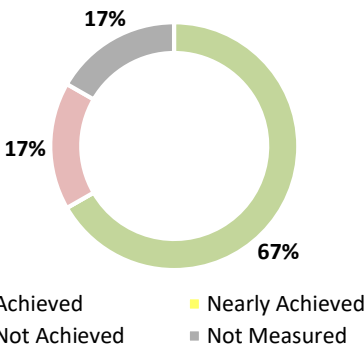
Recreation & Leisure



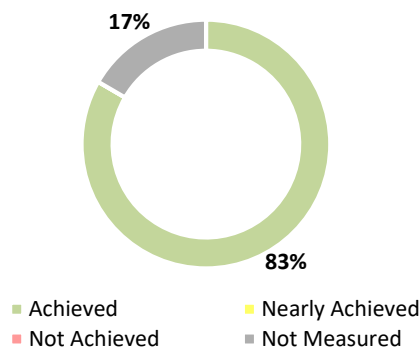
Roading & Footpaths



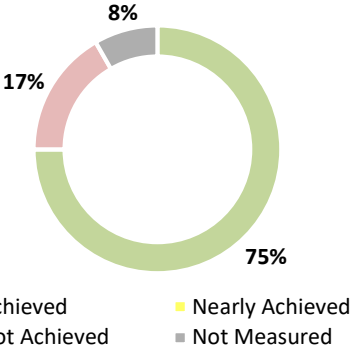
Stormwater



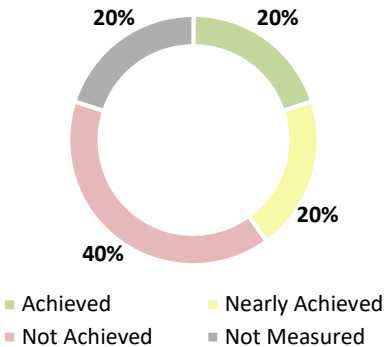
Wastewater



Water Supply

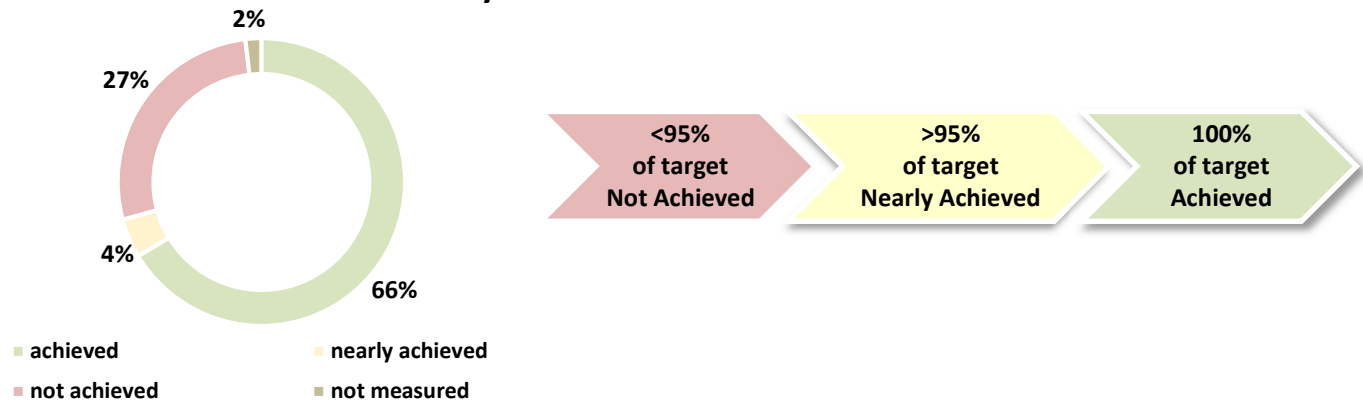


Waste Management

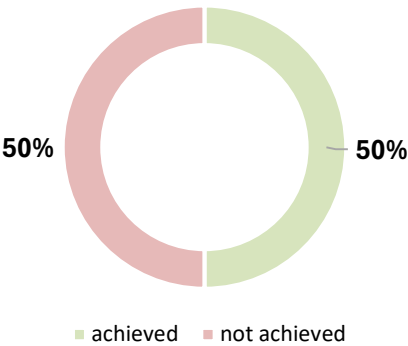


• Performance Summary by Group of Activities 2023-2024

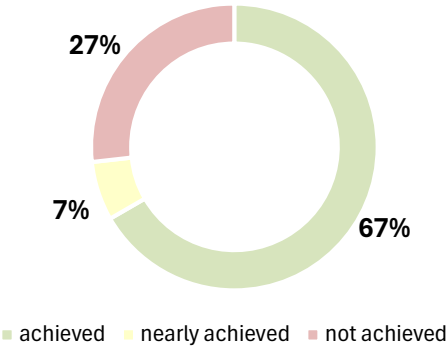
Overall Performance Summary



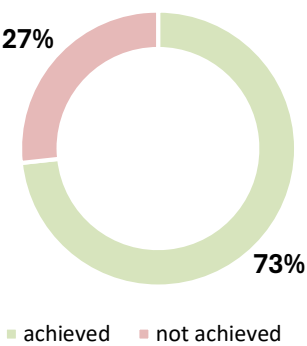
Governance & Strategy



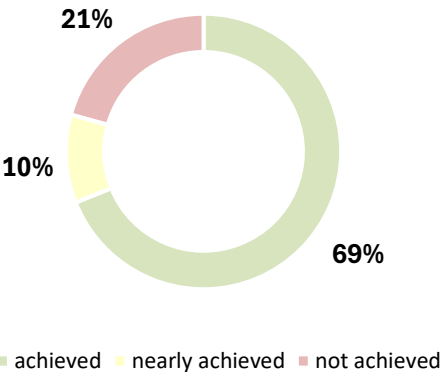
Community Support



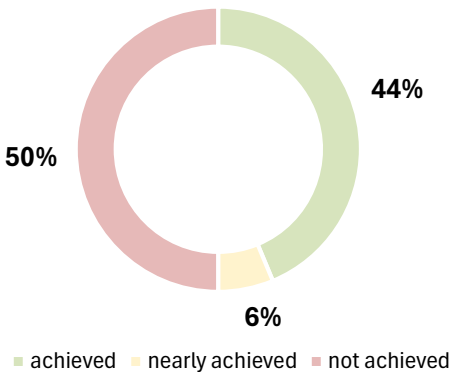
Environmental Services



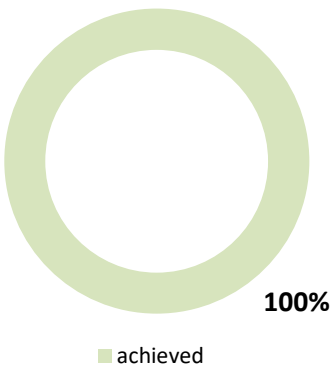
Recreation & Leisure



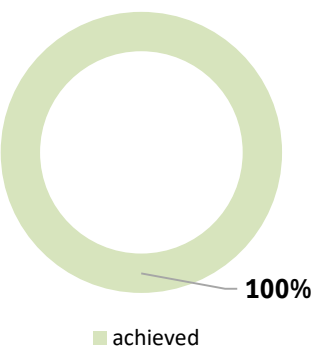
Roading & Footpaths



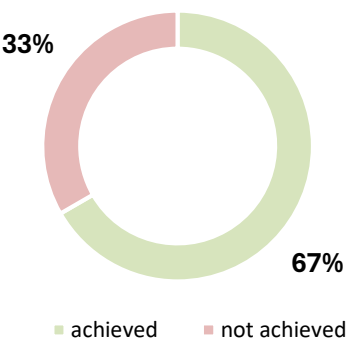
Sewer



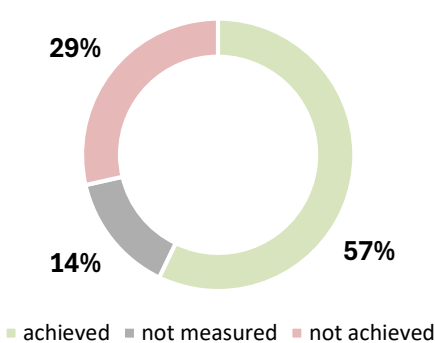
Stormwater



Waste Minimisation



Water Supply



Summary Financial Reporting

2024
2025

Summary Financial Statements

This financial overview is for the year 1 July 2024 to 30 June 2025. It covers the consolidated financial statements of the group comprising Timaru District Council and its subsidiaries and associates.

Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

	Council		Group		
	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Revenue	135,833	147,167	137,578	141,405	142,008
Operating Expenditure	(131,442)	(131,870)	(129,269)	(133,767)	(130,918)
Finance Costs	(10,066)	(14,298)	(9,995)	(10,518)	(10,476)
Share of surplus / (deficit) of associates	-	-	-	(4,434)	3,295
Net surplus / (deficit) before taxation	(5,675)	999	(1,686)	(7,314)	3,909
Taxation			2	(45)	553
Net surplus / (deficit) after taxation	(5,675)	999	(1,684)	(7,359)	4,462
Gains on revaluation of property, plant and equipment	45,428	81,303	-	45,428	-
Total Other Comprehensive Revenue and Expense	45,428	81,303	-	45,428	-
Total Comprehensive Revenue and Expense	39,753	82,302	(1,684)	38,069	4,462

The accompanying notes in the full Annual Report 2024/25 form part of these financial statements

Summary Statement of Changes in Equity for the year ended 30 June 2025

	Council		Group		
	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Equity at beginning of year	1,771,808	1,756,187	1,773,492	1,900,835	1,896,376
Total Comprehensive Revenue and Expense	39,753	82,302	(1,684)	38,069	4,462
Equity at end of year	1,811,561	1,838,489	1,771,808	1,938,904	1,900,835

The accompanying notes in the full Annual Report 2024/25 form part of these financial statements

Summary Statement of Financial Position as at 30 June 2025

	Council		Group		
	Actual	Budget	Actual	Actual	Actual
	2025	2025	2024	2025	2024
	\$000	\$000	\$000	\$000	\$000
Retained earnings	763,546	767,850	771,466	887,841	897,446
Reserves	1,048,014	1,070,639	1,000,340	1,051,063	1,003,389
Total Equity	1,811,561	1,838,489	1,771,808	1,938,904	1,900,835
Current assets	63,320	63,251	42,688	66,559	46,250
Non-current assets	2,041,798	2,107,304	1,987,438	2,176,940	2,122,170
Current liabilities	(99,237)	(22,524)	(88,774)	(110,210)	(90,837)
Non-current liabilities	(194,320)	(309,542)	(169,546)	(194,385)	(176,747)

The accompanying notes in the full Annual Report 2024/25 form part of these financial statements

Summary Statement of cashflows for the year ended 30 June 2025

	Council		Group		
	Actual	Budget	Actual	Actual	Actual
	2025	2025	2024	2025	2024
	\$000	\$000	\$000	\$000	\$000
Net cash inflow from operating activities	37,382	34,426	26,696	36,136	26,681
Net cash outflow from investing activities	(46,676)	(94,121)	(58,832)	(48,530)	(60,989)
Net cash inflow from financing activities	30,258	59,843	15,000	32,344	15,800
Net increase/(decrease) in cash held	20,964	148	(17,136)	19,950	(18,508)
Opening Cash Balance - 1 July	22,159	14,480	39,296	23,542	42,050
Closing Cash Balance - 30 June	43,123	14,628	22,159	43,492	23,542

The accompanying notes in the full Annual Report 2024/25 form part of these financial statements

Notes to the summary financial statements for the year ended 30 June 2025

Accounting Policies Basis of Preparation

The summary financial statements of the Timaru District Council (the Council) and group have been prepared in accordance with the requirements of the Local Government Act 2002; which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), which are primarily based on reporting standards as promulgated by the External Reporting Board (XRB) and the NZ Accounting Standards Board (NZASB). These summary financial statements have been extracted from the full financial statements, which were authorised for issue on 31 October 2025.

The full financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Council Reporting and Prudence) Regulations 2014(LG(FRP)R), which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand. The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity Accounting (PBE) Standards. This summary has been prepared in accordance with PBE FRS43: Summary Financial Statements.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements are presented in New Zealand dollars and all rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars. The full financial report and this summary were audited and received an unmodified audit opinion.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide a complete understanding as provided by the full financial report. The full financial report is available from Council's service centres and website - www.timaru.govt.nz

Financial Statements Reclassifications

The Council and Group has made some prior period reclassifications within the Summary Financial Statements including Comprehensive Revenue and Expense, Changes in Equity, Financial Position, and Cashflows and subsequent relevant notes for consistency with the current period. Due to printing errors in the Long Term Plan 2024-34, and Annual Report 2023/24, the figures have been updated in the Annual Report 2024/25.

Budget figures

The Budget figures presented in this report are those approved by the Council in its 2024-34 Long Term Plan unless stated otherwise. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these summary financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Assumptions regarding investments in other financial assets, subsidiaries and other entities
- Estimating the fair value of investment property
- Estimating the fair value of property, plant and equipment
- Estimating the landfill aftercare provision
- Estimating the fair values of debt
- Estimating the fair values of financial instruments
- Estimating the fair value of forestry assets
- Estimating the retirement and long service leave obligations

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

- Valuation methodology for property, plant and equipment, cultural and heritage assets and intangible assets
- Donated or vested land and buildings with use or return conditions

Changes in Accounting Policy

There have been no significant changes in accounting policy.

Explanations of major variances to budget

Statement of comprehensive revenue and expenditure

- Personnel costs under budget \$1.36m as a result of limitations on staff hiring after the 2025 restructure announcements
- Finance costs decreased by \$4.2m as a result of a decrease in interest rates
- Depreciation \$592k under budget as a result of timing of additions, and lower additions than budgeted
- Other expenditure \$3.1m under budget due to the following:
 - Contractor services relating to parks under budget by \$1.5m due to parks services being brought in-house during this financial year
 - Subsidised roading \$1.3m under budget due to changes in government priorities and implementing cost saving initiatives without reducing key levels of service
 - Solicitor and consultant expenditure under budget by 500k, as a result of cost saving initiatives during the year
 - District plan review document expenditure under budget by \$1.0m not yet completed during the year
 - Carbon credits, under budget by \$1.1m as a result of waste management services installing a blue flare system, resulting in decreased rates of carbon credits
 - Decrease in donations paid of \$500k due to budget priorities in 2024/25
 - Decrease in course seminar and conference registrations of \$411k for budget priorities in the 2024/25 financial year:
 - Offset by:
 - Water services, increased over budget of \$1.7m as a result of an increase in reactive renewals, demand driven and contingent on weather
 - Budget error in Land transport of \$900k resulting in overbudget
 - Software increased over budget by \$470k as a result of increased software prices
 - Increase in insurance costs for the year over budget by \$205k
- Other losses over budget by \$4.7m resulting from a loss on disposal of property, plant and equipment of \$2.3m and a decrease in the fair value of derivatives of \$2.3m
- Rates revenue is above budget by \$260k primarily as a result of rates penalties above budget by \$200k
- Fees and charges revenue is above budget by \$930k consisting primarily of:
 - Increase in refuse fees of \$705k
 - Increase in trade waste wastewater charges of \$200k
 - Increase in community housing fees of \$130k due to a price increase and 100% occupancy
 - Increase in fines and infringements of \$290k
 - Offset by a decrease in building consents, demand driven, by \$470k
- Subsidies and grants is under budget by \$12.8m as a result of the following:
 - Parks tracks and trails funding budgeted but not received of \$2m due to delayed projects
 - Aorangi stadium, delayed project \$2m
 - Museum project delayed \$3m
 - Theatre royal project delayed \$6.2m
- Development contributions revenue over budget by \$543k. Relates to development contributions received transition support package for three waters
- Finance revenue under budget by \$365k as a result of decrease interest rates
- Other revenue \$780k under budget as a result of the following:
 - Vested assets under budget by \$990k as developments under expectations for the year
 - Drainage and water under budget by \$900k as a result of a budget error
 - Offset by Donations received by the Aigantighe Art Gallery not budgeted of \$576k and a Museum donation of \$24k
 - Increase in Cbay user fees of \$290k, demand driven
 - An increase in dividends from subsidiaries over budget by \$128k
- Other gains \$898k over budget relates to a gain on fair value of investment property of \$552k and fair value adjustment to investments of \$286k

Statement of financial position

- Cash and cash equivalents over budget due to an increase in borrowing not leant out to other council activities
- Trade receivables and payables have variances to budget as result of regular trading and timing of income and expenditure.
- Current intangible assets relate to carbon credits. Budget was not split by current and non-current.
- Other financial assets under budget due to short term deposits lower than budgeted
- Property plant and equipment under budget due to additions and revaluation gain on roading lower than budgeted
- Provisions over budget as a result of landfill aftercare, and the Peel Forest remediation project
- Total borrowing decreased from budget due to project delays in Aorangi stadium, Theatre Royal, and Museum

Statement of changes in equity

- Variance to budget relates to total comprehensive revenue and expenditure for the year
This is a resultant figure, refer to revenue and expenditure variance explanations.
Other comprehensive revenue is under budget due to the roading revaluation gain being under budget

Statement of cashflow

- Significant variances in the additions to property plant and equipment under budget, and the borrowings under budget. Both variances relate to delayed projects, Aorangi stadium, Theatre Royal, and the Museum
- Payments to suppliers and employees was lesser in conjunction with lesser spending than budgeted.

Contingencies

The Council and group have contingent liabilities including:

- Following the significant flooding event in 2019 which endangered the integrity of the closed Peel Forest landfill, a risk assessment of the 40 identified closed landfills which are considered the responsibility of Timaru District Council has been completed evaluating the risk related to these and potential future remediation and work and cost associated with the management of identified risks. No immediate or urgent risk has been ascertained however some work is likely to be desirable within the next 10 years. The potential cost of this has not been assessed as at 30 June 2025. Additional closed landfills exist within the District which are not the responsibility of Council however the consideration of risks related to these will be in conjunction with the respective landowners and Environment Canterbury Regional Council (ECan). It is not anticipated that Council will have any financial obligations relating to these.
- Timaru District Council has \$18,550,000 uncalled shares, (2024: 18,550,000) in Timaru District Holdings Limited. This uncalled capital is a requirement of TDHL's funding arrangement with the NZ Local Government Funding Agency for the Letter of Credit facility of \$19m (2024: \$19m) with the NZ Local Government Funding Agency (2024: ANZ Bank) for the credit facilities with Timaru District Holdings Limited.
- Council is reviewing buildings owned or controlled by it to assess their seismic rating under the new building standards (NBS). Council's buildings are categorised as either 'priority' or 'non-priority' buildings under the NBS and Council has identified all priority and non-priority buildings as required. Seismic assessments on all priority buildings have been commenced although not completed in all cases and remediation work is being undertaken when appropriate. Council is also developing a strategy and prioritisation methodology to inform its future decisions on earthquake prone buildings. There is currently no estimate of the potential cost of work required.
- Sophia Street car park building has been deemed earthquake prone. The engineer who assessed the car park also assessed the adjoining building as earthquake prone. The owners of the adjoining building obtained their own report which determined their building was 100% NBS. The owner is seeking costs for having to obtain their own report. There may be a potential dispute about the responsibility of each building owner to contribute to strengthening. Ongoing assessments of the risk are being undertaken.
- Timaru District Council (as consenting authority) has been joined with a private property owner to a District Court civil claim brought by a property owner concerning a retaining wall. The maximum potential liability is not expected to be more than \$20,000.

Mutual Liability Riskpool insurance scheme

Timaru District Council was a member of the New Zealand Mutual Liability Riskpool insurance scheme ("Riskpool") until 30 June 2017. The Scheme is in ""wind down"", however the Council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. Following the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced.

Several former Scheme members have brought proceedings against Riskpool related to mixed claims. Two of these claims went to trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified.

Local Government Funding Agency

- Timaru District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.
- Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$26.3 billion (2024: \$23.8 billion).
- PBE accounting standards require TDC to initially recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. The council have assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the council has not recognised a liability.

Joint operation contingent liabilities

- There are no contingent liabilities associated with Downlands Water Supply joint operation (2024: Nil)

Share of associates' contingent liabilities

- Alpine Energy Limited group has contingent liabilities as at 31 March 2025 of \$0.73m in the form of performance and import guarantees to cover ongoing project work (2024: 0.73m)
- No contingent liabilities exist at balance date for PrimePort Timaru Limited (2024: Nil)

Related Party contingent liabilities

- No contingent liabilities exist at balance date for Timaru District Holdings Limited (2024: Nil)
- No contingent liabilities exist at balance date for Venture Timaru Limited (2024: Nil)

Local Water Done Well

The Water Services Act has come into effect requiring councils to have submitted a water services delivery plan (WSDP) by 3 September 2025.

Council resolved, on 22 July 2025, to progress work towards a standalone WSCCO to ensure that water services delivery in Timaru would not only meet all regulatory requirements (including financial sustainability) but would also be positioned for partnership in the near future should other councils decide to join with Timaru, and subject to agreed terms and conditions at such time.

Timaru District Council intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services within a phased transition from 1 July 2026 through to 1 July 2027.

Timaru District Council's Water Services Delivery Plan was accepted by the Secretary for Local Government on 28 October 2025 which means that work to establish the new company and the transition plan will get underway as planned in 2025/26.

Timaru District Council is still working through the financial implications of the decision.

Events after balance date

On 24 March 2025 a proposal for change was outlined to the organisation which included details of proposed staffing changes. A consultation period commenced, which resulted in a revised proposal being presented on 19 May 2025. Final decisions were announced on 9 July 2025, and the revised structure was operational from 25 August 2025. An estimate of the financial effect in personnel costs is \$490,904.

Disclosure Statement

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing revenue, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information including definitions of some of the terms used in this statement.

Council has met 5 of these benchmarks in 2024/25. The ratios are as follows:

Rates (increase) affordability	Not met
Debt affordability benchmark	Met
Balanced budget benchmark	Not met
Essential services benchmark	Met
Debt servicing benchmark	Met
Debt control benchmark	Met
Operations control benchmark	Met

Independent Auditor's Report

To the readers of Timaru District Council and group's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the Timaru District Council (the Council) and group for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 12 to 15 and 17 to 24:

- The summary statement of financial position as at 30 June 2025.
- The summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025.
- The notes to the summary financial statements that include accounting policies and other explanatory information.
- The summary statement of service provision, included in the "statement of council activities" section.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor's report dated 31 October 2025.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary and full annual reports, we have carried out a limited assurance engagement relating to the Council's Debenture Trust Deed, which is compatible with those independence requirements.

Other than this engagement, we have no relationship with, or interests in, the Council or its subsidiaries and controlled entities.



Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
13 November 2025